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Defrauded by McNells, Two Companies Allege

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Two related oil and gas drilling companies have charged the two missing McNell brothers, whose allegations of improper business practices by CIA covert operations chief Max Hugel led to his resignation, with looting them of millions of dollars in bank deposits and other assets.

Triad Energy Corp. and Everest Petroleum Inc. made the charge in a damage suit filed in U.S. District Court in Manhattan Wednesday.

They seek more than \$5 million from the brothers, Thomas and Samuel F. McNell, who were top executives of the two companies and are being sought by the FBI on bank larceny warrants; Jean Marie Carson, an assistant branch manager of the European-American Bank and Trust Co. of New York City, who was identified in the suit as Everest's corporate secretary, and 13 others.

They also seek more than \$3 million from the bank, allegedly for having been "grossly negligent" in authorizing withdrawal of Triad and Everest funds.

The brothers disappeared in mid-July after The Washington Post reported their allegations that Hugel had engaged in improper or illegal trading practices to inflate the stock of Brother International Corp., a firm he had headed until 1975. He denied the allegations but resigned the day they were published.

Within hours after the suit was filed, Judge Kevin Thomas Duffy granted a request by Greenbaum,

Wolff & Ernst, counsel for the newly appointed receiver of Everest, for expedited questioning of Carson, other bank employes, and William Hodgson, a salesman for Macro International Group, a New York commodity brokerage firm. Hodgson and Macro are co-defendants. Duffy also granted a temporary order restraining the McNells from transferring any assets.

According to the suit, the brothers began last fall to scheme with Carson to defraud Triad and Everest, engaging in transactions in which company funds in bank accounts were switched to the brothers' and Macro's accounts.

The bulk of the money was Triad's and was in the European-American Bank. Everest had deposited its money in four other banks not named as defendants: Bank Leumi, Bank of New York, Marine Midland Bank and Barclays Bank.

Hodgson, the suit charges, "knowingly and willfully" used Triad and Everest funds for commodity accounts owned by the brothers and another defendant company owned by Samuel McNell, MB Securities.

In addition, the suit contends that the brothers worked with Carson to shift \$790,000 out of Bank Leumi to Macro for commodities trading; that Samuel McNell used \$376,000 of Triad's assets, which had been owned to Hugel, to pay off the mortgage on his Holmdel, N.J., home, and that Samuel McNell improperly paid death and other benefits to certain employes and members of his family.